

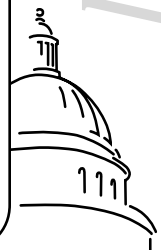
Improving California's Infrastructure

Like a building's foundation, California's immense infrastructure is the supporting base for many essential government programs and services. Therefore, the Administration is committed to expanding and improving state infrastructure, which includes the following:

- ❖ 192 primary and satellite campuses of higher education comprising over 10,000 buildings and 138 million square feet of facility space;
- ❖ 8,500 public K-12 school sites;
- ❖ 23 million square feet of leased and owned office space;
- ❖ 33 prisons and 38 correctional conservation camps;
- ❖ 11 crime laboratories and one DNA laboratory;
- ❖ 21 agricultural inspection stations;
- ❖ 2 public health laboratory facilities comprising 276,000 square feet;
- ❖ 4 mental health hospitals comprising over 4 million square feet of facilities and 2,300 acres;
- ❖ 238 forest fire stations and 28 air attack and helitack bases;
- ❖ 266 park units covering over 1.4 million acres and 3,000 miles of trails;
- ❖ 530 miles of levees and flood control channels;
- ❖ 138 Highway Patrol offices;
- ❖ 209 Department of Motor Vehicle offices; and
- ❖ 50,000 lane miles of highway and 9 toll bridges.

To ensure that California's infrastructure needs are met during this time of economic uncertainty, the Administration supports the use of general obligation and lease-revenue bonds to finance capital improvements. The use of bonds, particularly during a period of historically low interest rates, will enable the completion of projects that would have otherwise been postponed due to revenue shortfalls, and stimulate the economy by creating jobs and spurring demand for materials and services.

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Economic Stimulus Package

The Administration is sponsoring legislation in the current year that will authorize and fund an Economic Stimulus Package. This package will appropriate \$678.3 million in lease-revenue bonds to accelerate new public works projects that will stimulate the economy and create more than 13,000 new jobs. The proposal primarily consists of accelerating the construction of higher education facility projects, because the planning and design phases are substantially complete and the projects are ready to proceed to construction. The package includes \$279 million for University of California, \$191 million for California State University, \$170 million for the California Community Colleges, and \$38 million for various other projects.

General Obligation Bonds

In addition to the Economic Stimulus Package, the Administration supports general obligation bond measures of \$10 billion for placement before the voters in each of 2002, 2004, and 2006 election cycles for K-12 education and higher education building needs.

The Education general obligation bond measures would provide a total of \$30 billion to finance the construction and modernization of K-12 and higher education facilities. Currently, there are \$3.3 billion in unfunded K-12 needs awaiting approval of this bond measure, of which \$2.2 billion represents projects that are ready to proceed immediately. These funds will be used by local districts to accommodate growth and to modernize older facilities.

For higher education capital outlay projects, the Administration supports a funding level of \$1 billion annually, to be split among the University of California, the California State University, and the California Community Colleges, to construct new instructional and research facilities and to correct health and safety deficiencies in existing facilities.

The Administration also supports the \$2.6 billion Clean Air, Clean Water, Safe Neighborhood Parks, and Coastal Protection Bond measure, which will be placed on the March 5, 2002, ballot for voter approval. This bond will fund the acquisition, development, improvement, restoration, and protection of park, coastal, cultural, and historical resources. Specifically, the funding would be used as follows:

- ❖ \$225 million to acquire additional property and develop new and existing parks in the state park system.



- ❖ \$832.5 million for local grants administered by the Department of Parks and Recreation (DPR), including the following:
 - ❖ \$350 million for grants distributed to cities and districts based on population.
 - ❖ \$200 million for grants to local governments for park and recreation facilities pursuant to the Roberti-Z'berg-Harris Urban Open-Space and Recreational Program Act.
 - ❖ \$22.5 million for grants issued based on specified criteria.
 - ❖ \$260 million for grants for urban and special needs park programs.
- ❖ \$1.275 billion for state agencies other than DPR for acquisition and development of land, air, and water resources.
- ❖ \$267.5 million for state agencies for acquisition, restoration, preservation, and interpretation of historical and cultural resources, including \$35 million to a large, urban city park in northern California and \$2.5 million to the County of Los Angeles for the El Pueblo Cultural and Performing Arts Center.

AB 1473

Assembly Bill 1473, (Chapter 606, Statutes of 1999) requires the Governor to submit a five-year infrastructure plan in conjunction with the annual Governor's Budget beginning January 2002. As such, state agencies and departments have begun identifying their program needs based on a multi-year view of their missions and objectives, and developing plans to address related capital outlay needs. However, given the slowdown in the State's economy and General Fund revenue shortfalls, committing funds for a comprehensive, statewide infrastructure plan is impractical, especially when those shortfalls have necessitated many reductions in the very programs upon which departments based their infrastructure plans. The planning work, thus far undertaken, needs to undergo significant revisions to reflect the changes in department programs necessitated by current economic conditions. Consequently, the Administration proposes to delay submission of the infrastructure plan envisioned by AB 1473. The Governor will request the Commission on Building for the 21st Century to review their recommendations and come back to the Administration with a plan that recognizes the State's current economic circumstances. Departments will revise projections of their long-term needs and modify their infrastructure plans accordingly.

